



Legislation Text

File #: Res. 2019-087, **Version:** 1

City Council Meeting Date: August 20, 2019

To: Mayor and City Council

From: Ben Martig, City Administrator

Consider Approval of Sale of Property in Elko New Market by Northfield Hospital & Clinics.

Action Requested:

The Northfield City Council consider approving the attached Resolution approving the sale by the Northfield Hospital and Clinics of real property in Elko New Market and dispensing with review of the sale by the Northfield Planning Commission. Note: Approval requires a two-thirds (5/7) vote related to dispensing with review of the sale by the Planning Commission.

Summary Report:

Northfield Hospital & Clinics purchased the 4.08 acre property in 2011 for \$710,900 as a potential clinic location. In 2015, Northfield Hospital & Clinics decided not to build a new clinic on this property and to close the Elko New Market clinic and the property was listed. A purchase offer was recently received for \$800,000. The Hospital Board approved the sale on July 25, 2019 and requested the Council approval the sale.

On August 5, 2019, the Northfield City Council received a presentation from Northfield Hospital & Clinics CEO Steve Underdahl regarding the sale of property and approved a motion calling for public hearing for the sale of property in Elko New Market for Northfield Hospital & Clinics. The public hearing notice was published in the Northfield News on Wednesday, August 7, 2019 and held on August 20, 2019.

Per Northfield City Charter Section 15.5 a public hearing is required prior to the sale of real property.

City Charter Section 15.5. - Sales of Real Property.

The council may by resolution approved of by at least five (5) members sell or otherwise dispose of any real property of the city. A sale or other disposition of the city's real property may be made only after a public hearing has been held and published notice of the hearing has been given at least ten (10) but not more than thirty (30) days prior to the hearing. The net cash proceeds of the sale of the property shall be used to retire any outstanding indebtedness incurred by the city in the acquisition or improvement of the property. Any remaining net cash proceeds shall be used to finance other improvements in the capital improvement budget or to retire any other bonded indebtedness.

Minnesota Statutes, Section 462.356, subdivision 2 states that no publicly owned interest in real property within a city shall be acquired or disposed of until after the planning commission has reviewed the proposed acquisition or disposal and reported in writing to the city council its findings as to compliance of the proposed acquisition or disposal with the comprehensive plan. The same statute further states, however, that the city council may, by resolution adopted by two-thirds vote, dispense with the requirements of this subdivision when in its judgment it finds that the acquisition or disposal of real property has no relationship to the comprehensive

plan.

Alternative Options:

N/A

Financial Impacts:

N/A

Tentative Timelines:

N/A